

**PAYWARD LTD**  
CRYPTO ASSET RISK DISCLOSURE  
Rainbow (RNBW)

Last updated on 15 January 2026

**Disclaimer**

*Please note that this Crypto Asset Statement is not exhaustive of all risks associated with trading RNBW. Investors should perform their own assessment to determine the appropriate level of risk for their personal circumstances. Be sure to do your own research and due diligence while taking into account your own financial situation and risk tolerance. Please review the [Risk Summary](#) for additional discussion of general risks associated with the assets made available in the platform. These materials are for general information purposes only and are not investment advice or a recommendation or solicitation to buy, sell or hold any crypto asset or to engage in any specific trading strategy. The information contained in this Crypto Asset Statement is based on publicly available information that may be inaccurate, incomplete, or change at any time.*

**What is Rainbow and how does it work?**

Rainbow is a non-custodial crypto wallet that allows users to store, send, receive, and interact with Ethereum-based assets, including tokens and NFTs. It is available as a mobile application and browser extension and enables users to connect directly to on-chain applications such as token swaps and other decentralized finance activities. Users retain control of their private keys.

At the time of writing, the token is not live. The team plans for the RNBW token to be used for in-app rewards as cashback for revenue-generating actions within the Rainbow app, and for future staking that is intended to provide fee discounts and additional RNBW back.

**Who is behind the project?**

Rainbow was founded by Mike Demarais, Christian Baroni, and Jin Chung. The project is led by Alex LaPrade, who serves as Chief Executive Officer (CEO).

**Tokenomics of RNBW**

The total supply of RNBW is 1 billion tokens, which is distributed as follows:

| <b>RNBW Allocation</b>    | <b>% of Total supply</b> |
|---------------------------|--------------------------|
| Community: Airdrop at TGE | 15%                      |
| Market Makers             | 2%                       |
| CoinList Public Sale      | 3%                       |
| Uniswap CCA               | 2%                       |

|                   |             |
|-------------------|-------------|
| Community: Future | 15%         |
| Team              | 12.2%       |
| Investors         | 7.8%        |
| Treasury          | 43%         |
| <b>Total</b>      | <b>100%</b> |

**General Risks**

Like all other digital assets, there are some general risks to investing in RNBW. These include short history risk, volatility risk, liquidity risk, demand risk, forking risk, code defects, cryptography risk, regulatory risk, concentration risk, electronic trading risk and cyber security risk. For more information on general risks associated with smart contracts and digital assets, see Kraken’s Risk Statement.

**Risks specific to RNBW**

*Competition*

The Rainbow wallet faces competition from other non-custodial crypto wallets such as Trust Wallet, Plus Wallet and many others. RNBW’s value derives from its broader adoption in the market. If the Rainbow wallet fails to achieve sufficient adoption compared to the other options in the market, this could negatively impact the value of the RNBW.

**Due Diligence**

Prior to listing on the Kraken platform, Kraken performed due diligence on RNBW and determined it was permitted to make RNBW available for trading to UK users. Our analysis generally includes, but is not limited to, reviewing publicly available information on the following:

- The creation, governance, usage and design of RNBW, including the source code, security and roadmap for growth in the developer community and, if available, the background of the developer(s) that created RNBW;
- The supply, demand, maturity, utility and liquidity of RNBW;
- Material technical risks associated with RNBW, including any code defects, security breaches and other threats concerning RNBW and its supporting blockchain (such as the susceptibility to hacking and impact of forking), or the practices and protocols that apply to them; and
- Legal and regulatory risks associated with RNBW, including (i) any pending, potential, or prior civil, regulatory, criminal, or enforcement action relating to the issuance, distribution, or use of RNBW, and (ii) consideration of statements made by any regulators or securities regulatory authorities in the UK, other regulators of the International Organization of Securities Commissions, or the regulator with the most significant connection to RNBW about whether RNBW, or generally about whether the type of crypto asset, is a security and/or derivative.

**Don’t invest unless you’re prepared to lose all the money you invest. This is a high-risk investment and you should not expect to be protected if something goes wrong. [Take 2 mins to learn more.](#)**

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